



HOW CHINA FUELS AFRICAN KLEPTOCRATIC NETWORKS

THE CASE OF CONGO-BRAZZAVILLE

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Over the past decade, Beijing has emerged as a powerful accelerator of long-standing kleptocracy in the Republic of the Congo, also known as Congo-Brazzaville. The Central African state is far from alone in this respect, but it is a useful example for understanding the political, economic, and cultural consequences of the growing Chinese Communist Party (CCP) influence in the region and in Africa more broadly.

The People's Republic of China (PRC) is now the primary importer of petroleum and timber from Congo-Brazzaville. While developing this trade, Beijing and CCP-linked businesspeople engaged with local kleptocratic elites and situated themselves within corrupt networks. Moreover, in 2015 the two countries established the Sino-Congolese Bank for Africa, an entity whose practices have troubling implications for transparency and accountability in Congo-Brazzaville and beyond.

Kleptocracy is a leading cause of underdevelopment, human rights abuses, and war on the African continent, particularly in Central Africa. Ten of the eleven countries in the region are classified as Not Free by Freedom House,¹ and three of the five longest-ruling national leaders worldwide—monarchs excluded—are from Central Africa.² In Congo-Brazzaville, kleptocrats have siphoned off billions of dollars in revenue from natural resources and amassed portfolios of private property worth tens of millions each. Meanwhile, nearly 40 percent of the country's people are forced to live on less than two dollars a day, and public health institutions struggle to provide basic services.³

The kleptocratic monopolization of power in Central Africa follows a general—and widely repeated—pattern. First, would-be kleptocrats in government and their allies in the business world identify key natural resources that have the potential to generate tremendous wealth and influence. Then, rather than using the proceeds to deliver public goods, kleptocrats enrich themselves and work to neuter accountability mechanisms that might hinder their theft, including independent auditing and judicial systems, a free press and civil society, and political competition through fair elections. Finally, as the system becomes more closed, authoritarian, and violent, more extensive plunder becomes possible, fueling a downward spiral.⁴

The CCP's emergence as a crucial enabler of regional kleptocrats makes it more difficult for local democratic forces to advocate for open and responsive governance. In the struggle to rein in kleptocratic networks in Central Africa, civil society within these countries must be empowered to play a more coordinated and purposeful role in exposing the CCP's corrosive influence.

Growing Chinese Influence over a System of National Plunder

In the Republic of the Congo, Beijing has long supported the regime led by Denis Sassou Nguesso, who first captured the presidency in 1979, fomented armed rebellion against his successor in the mid-1990s, and returned to office in 1997.⁵ **Chinese engagement with Congolese kleptocratic networks ranges from murky relationships at the elite level to commercial activity in the country's highly lucrative oil and timber industries.**

As with many resource-rich African countries, the Republic of the Congo has "local content" provisions that require the involvement of Congolese businesses and employees in the extraction and export of Congolese crude oil. Due to the deeply kleptocratic nature of the Congolese state, foreign entities aiming to acquire Congolese oil must purchase from locally-run businesses that are likely to be compromised by corruption and operated by members of the ruling family; an unsavory proposition for companies based in democratic countries where they could face legal or reputational repercussions. The French-owned Total and Italian-owned ENI oil companies have historically enjoyed a dominant position in the sector, but today most of the high-quality oil from the Djeno region of Congo-Brazzaville is exported to China, where the trade entails far less liability.⁶

The region's timber industry was similarly dominated by European companies in the past, but the PRC has become its largest market, accounting for 46 percent of the Congo Basin's timber exports in value as of 2016.⁷ The Deji Group, a bloc of companies controlled by Chinese tycoon Xu Gong De, has allegedly used its corrupt local connections in Gabon and the Republic of the Congo to amass territorial concessions illegally, exceed harvesting quotas, and avoid paying millions of dollars in corporate taxes in the two countries.⁸

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The Rise of a New and Opaque Banking Network

One of the most alarming results of Sino-Congolese cooperation in recent years has been the establishment of a banking structure that allows money to move across international borders without the standard accountability and transparency measures associated with financial institutions based in the democratic world.

Central African kleptocrats have a long history of establishing banks that help them funnel ill-gotten wealth out of their countries. During the late 1990s, President Sassou Nguesso and Gabon's President Ali Bongo started the BGF Bank, which now has subsidiaries in ten countries in West and Central Africa and has been accused of involvement in large-scale money laundering.⁹ In 2021, a leak of BGF data—later known as the “Congo Hold Up”—that was obtained by the Platform to Protect African Whistleblowers revealed a massive corruption scheme involving the bank, two PRC state-owned enterprises, and family members of then president Joseph Kabila in the neighboring Democratic Republic of the Congo.¹⁰

The PRC entered the regional banking sector in 2015 with the creation of the Sino-Congolese Bank for Africa, a joint venture between the state-owned Agricultural Bank of China and the government of Congo-Brazzaville. The bank may be particularly attractive to Sassou Nguesso and his allies because it limits their exposure to French prosecutors, who have turned their attention to the president and his relatives after obtaining corruption convictions against Equatorial Guinea's ruling Obiang family in recent years.¹¹

While the amount of money going through the Sino-Congolese Bank is currently unclear, the dangers associated with this alternative banking system are quite apparent. Kleptocrats in general, rely on foreign banks to convert the local proceeds of corruption into stable currencies like the dollar or the euro, and to store these funds in ways and locations that will make them safe from scrutiny or seizure. But banks operating in the United States and Europe—or connected to those democratic settings through correspondent banks—are increasingly obliged to operate under strict anti-money-laundering and “know your customer” provisions that make them riskier partners for corrupt actors. Furthermore, any financial transaction conducted using the U.S. dollar has the potential to be examined by U.S. law enforcement agencies.

A reliable Chinese banking option could allow Central African kleptocrats to better obscure the origins of their assets or avoid the democracy-based financial sector altogether. Crucially, the Sino-Congolese Bank offers access to the PRC's renminbi-denominated interbank payments network, a rival to the Belgium-based Society for Worldwide Interbank Financial Telecommunications (SWIFT). The SWIFT network, which enables member banks around the world to communicate quickly, also provides data that the U.S. Treasury Department uses to trace financial flows, combat illicit finance, and ensure third-party compliance with sanctions.¹²

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Strengthening Civil Society's Push for Transparency

African civil society faces daunting obstacles in its efforts to expose Beijing's corrupting influence in Central Africa. Tackling the local dimensions of kleptocracy is difficult enough, but the CCP's growing interest in the region compounds the problem significantly. Like their counterparts in much of the rest of the world, African civil society organizations often lack the capacity and specialized knowledge that are essential for tracking Beijing's financial flows and PRC actors' complex economic relationships with local kleptocrats. Anticorruption activists also run the risk of being labeled as enemies of progress and development, since much of the continent's modern infrastructure has been built by Chinese firms. Indeed, many have regarded these economic contributions as reasons to stay silent. Such observers tend to overlook the fact that the opening and globalization of the continent's economies can, if managed improperly, also facilitate corruption and hasten the movement of both resources and wealth out of Africa.¹³

In addition, whereas civil society activists seeking justice for abuses in Africa by European or American companies, for example, have had some chance of bringing their cases before an impartial court in the firms' home countries,¹⁴ it is almost impossible to pursue similar cases against PRC-based companies. The court system in China is tightly controlled by the CCP and does not enforce international standards of transparency and accountability.

Despite these barriers, there are concrete steps that civil society can take to counter corrupting PRC influence in the region. **First, civil society organizations must meticulously document the activities of Chinese actors in Africa.** They must collect information on cases of rights violations, interference, and corruption to give the public a clearer understanding of Beijing's engagement and, over time, greater agency in their countries' relationship with the PRC. Such documentation should also be preserved in the hope that it could be used in court to hold Chinese perpetrators to account if political or legal conditions were to change in the future.

Second, civil society activists should focus on educating the public about the financial, social, and ecological costs of the development projects Beijing has pushed. For example, working with the youth of Congo-Brazzaville's remote Cuvette-Ouest Department, the Sassoufit Collective—a Paris-based nongovernmental organization advocating for democracy, human rights, and anti-corruption efforts in Congo-Brazzaville and elsewhere in Africa—shed light on the environmental destruction caused by a Sino-Congolese enterprise, AGIL Congo.¹⁵ After this news was released, journalist Blanche Simona, a grantee of the Pulitzer Center's Rainforest Journalist Fund, followed up with a compelling series of reports about the pollution caused by AGIL Congo's operations.¹⁶

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Third, African civil society should actively respond to CCP narratives aimed at promoting Beijing as a partner that understands and will not duplicate Africa's experience with European colonization, given that China and Africa share histories of exploitation at the hands of European powers. To debunk this benevolent image of the PRC regime, African activists should forge relationships with the civil society sectors and democracy movements of Hong Kong and the Tibetan and Uyghur diasporas. It is also imperative to open dialogues with Asian democracies such as Taiwan, Japan, and South Korea, as well as establish collaborative initiatives to uphold democratic principles and build resilience in the face of CCP influence. By pledging \$100 million to support democracy around the world, President Yoon Suk Yeol of South Korea is making a significant step in the battle for a free and open international system. The Sassoufit Collective called on President Yoon Suk Yeol not to overlook African civil society organizations by dedicating a significant part of this support fund to the continent.¹⁷

Above all, it is up to African civil society to compile a comprehensive list of Chinese state-affiliated businesses and their African enablers. Just as international organizations like Public Eye, Global Witness, Environmental Investigation Agency, and Traffic prepare such reports on their respective issues, African civil society communities should work together to share their knowledge of Beijing-enabled kleptocracy across Africa.

An Interregional Problem that Calls for Interregional Solutions

The PRC and its affiliated enterprises are making deep inroads in Central Africa and the continent as a whole, fueling kleptocratic networks that seem to be intensifying corrupt practices and human rights abuses in an already fragile region. Some novel approaches will be required to meet this complex challenge, including heavy investment by democracies that understand the urgent need for an alternative to Chinese funding—one that is grounded in respect for human rights, good governance, transparency, and the rule of law. When offering economic assistance to African governments, democracies and international financial institutions should insist on these conditions, and couple any funding with effective public outreach that explains the benefits of relying on democratic partners.

But Beijing's support for kleptocracy in Africa cannot be addressed solely by governments or lenders in Europe and the United States. The region's authoritarian leaders are adept at using past abuses by colonial powers to deflect present-day pressure to combat corruption. **African activists must look elsewhere, particularly to their colleagues in the PRC's own neighborhood, to cultivate networks of support and collaboration that will be more effective at exposing the tendrils of illicit money and influence linking Beijing to Africa.** By working together and sharing their findings with local and international independent media, civil society groups could help persuade the citizens of Congo-Brazzaville and other African countries that opaque CCP-led development is not the path to a brighter future.

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ENDNOTES

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